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For Immediate Release

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Anticipated Questions for the Financial Results for the Six Months Ended March 31, 2025

Thank you for your continued support of the Company.
We have summarized the items that we expect to be of high interest in the financial results for the second quarter of the fiscal year ending September 30, 2025, announced on May 15, 2025. Please see the attachment for details.

Q1: Financial results for the second quarter of the fiscal year ending September 30, 2025

In the first six months of the fiscal year ending September 30, 2025 (October to March), net sales were 8.17 billion yen (up 26.5% year on year) and operating profit was 2.79 billion yen (up 28.9% year on year), with both sales and profit increasing steadily.
In the second quarter of the fiscal year ending September 30, 2025 (January to March), net sales were 4.28 billion yen (up 25.9% year on year), and operating profit was 1.67 billion yen (up 46.8% year on year), resulting in a significant increase in profit year on year.
The main factors contributing to the significant increase in profit were steady growth in net sales in HR Solutions and the revision of marketing measures to shift the focus of new customer acquisition to enterprise business, which had the effect of curbing costs.
The progress rate against the full-year forecast is 46.1% for net sales and 49.9% for operating profit, and while the progress rate for net sales is almost at the same level as the previous year, the progress for operating profit exceeds the previous year's level.
The progress of performance in each business is as follows.

<HR Solutions>
- Talent Palette
Due to the continued increase in the number of customers and unit price increases, monthly recurring revenue, which is the main source of net sales, has increased significantly, and net sales have expanded. In the second quarter of the fiscal year ending September 30, 2025, operating expenses were kept down by a review of marketing measures in line with the shift to enterprise business, resulting in a significant increase in profits year on year. We plan to continue to control expenses from the third quarter onwards.

- Yorisoar
Net sales are steadily increasing in line with the growth in the number of customers. Meanwhile, growth investments aimed at business expansion are continuing, and although losses continue, the deficit has been kept down.

- Grow Up
Orders remain weak, and both net sales and profit are down year on year. Meanwhile, due to cost reductions in areas such as personnel expenses and marketing expenses, the deficit has been significantly reduced compared to the first quarter.
The job market for new graduates is starting earlier and lasting longer, and our inability to adequately respond to these changes has been a factor contributing to weak orders. As orders for recruitment services targeting students graduating in March 2026, which will contribute to sales for the current fiscal year (ending September 30, 2025), are passing their peak, we are shifting our focus to sales of recruitment services targeting students graduating in March 2027, which will contribute to sales for the following fiscal year (ending September 30, 2026).

From the third quarter onwards, we will continue to reduce expenses with the aim of achieving profitability for the full year.

- OM Network

In addition to the number of customers steadily increasing, large projects are also increasing, and progress is proceeding smoothly ahead of our plans.

<Marketing Solutions>

Although the number of customers has decreased slightly, the unit price has increased, and net sales have increased year on year.

Q2: Reasons for the significant increase in operating profit in the second quarter

The main factors were steady growth in net sales in HR Solutions, in addition to the revision of marketing measures to shift the focus of new customer acquisition to enterprise business, which had the effect of curbing costs.

In addition, the performance of our subsidiary OMN has been better than expected, and our new business, Yorisoar, is expanding steadily, reducing losses and contributing to the increase in profits.

We will continue to make necessary investments in marketing expenses for the third quarter and onwards, but intend to maintain them at a controlled level.

Q3: HR Solutions KPIs

<Number of customers>

The number of new customers in the second quarter of the fiscal year ending September 30, 2025 was 66, and increase from 58 in the first quarter.

The pace of growth was slowing compared to the previous pace of approximately 100 new customers per quarter until the previous fiscal year (ended September 30, 2024), but this was due to a shift in strategy to focus on acquiring new enterprise customers.

Until the previous fiscal year, in Talent Palette, we focused on expanding sales to customers with fewer than 200 to 300 employees through the introduction of the Lite version. However, we are now strengthening our focus on enterprises with 1,000 or more employees, which have high unit prices and contribute significantly to revenue.

<ARPU>

We have been gradually applying price increases to Talent Palette customers whose contracts are due for renewal in May 2024 or later, and the effects of this are becoming apparent, while the expansion of paid

options for existing customers is progressing, and the overall average revenue per user (ARPU) is increasing. ARPU remained largely flat in the fiscal year ended September 30, 2024, but has been on an upward trend from the fiscal year ending September 30, 2025.
Although we implemented price increases during the fiscal year ended September 30, 2024, the increase was offset by an increase in the number of low-priced Yorisoar products sold at the same time and the implementation of limited-time discounts for new customers in the third and fourth quarters, resulting in no overall increase.
Going forward, we expect ARPU to continue to increase at a rate of several percent per year. The ARPU increase effect from the price revision will last until the second quarter of the fiscal year ending September 30, 2025, and following that, while cross-selling of paid options to existing customers and upselling to higher-tier plans, which are currently being strengthened, will contribute to ARPU growth, due to the ARPU of new customers for Talent Palette and Yorisoar being lower than that of existing customers, the increase in new customers will act as a factor lowering ARPU. Taking these factors into account, we anticipate that ARPU will continue to rise at a moderate pace going forward.

<Revenue churn rate>
Although it is lower and more stable than assumed in our plan, there has been a slight increase.
As the percentage of customers who have been using Talent Palette for several years since the introduction of the service has been increasing, there have been cases where contracts have been revised due to budgetary reviews and changes in circumstances since the introduction of the service.

Q4: KPIs for Marketing Solutions

<Number of customers>
The number of new customers in the second quarter of the fiscal year ending September 30, 2025 decreased by 11, continuing the decline from the first quarter.
There has been no significant change in the pace of orders from new customers, but cancellations have exceeded orders due to the factors listed in <Revenue churn rate> below.

<ARPU>
We have been gradually applying price increases to Visualization Engine customers whose contracts are due for renewal in May 2024 or later, and the effects of this are becoming apparent, and many of the customers who have canceled their contracts as described above are those who use the service at a low unit price and in a simple manner, with such cancellations also being included in the effect of raising the overall average.

<Revenue churn rate>
There have been cancellations by recently acquired Visualization Engine customers. The customer attributes of many of these are that they are light users (who only use it for social analysis of social media, etc.), and there are an increasing number of cases where they cancel their subscriptions after a short period of use.

However, light users have a limited impact on sales due to their low unit price.
Going forward, we plan to increase retention rates by strengthening sales to enterprise customers and promoting wider use of our services among light users.

Q5: Business alliance with Mynavi

On April 22, 2025, we announced a business alliance with Mynavi Corporation in the area of human resources.
Through collaboration between Mynavi, which has extensive experience in employment and recruitment, and our company, which has strengths in talent management, we aim to create innovative services and platforms that support people starting from their job search or career change to their success thereafter, creating synergies between the two companies.
We envisage building a platform that integrates and links the services and data provided by both companies to accumulate data on students and working adults, and also providing services that improve appropriate assignment and the accuracy of matching by utilizing data on skills and other factors in human resource management tasks such as recruitment, training, and assignment.
By providing such services, we aim to help job seekers build their careers in the most suitable fields and provide companies with solutions such as acquisition of human resources that match their needs and improving employee engagement.
Details are currently being reviewed, and we will make further announcements once we are able to release specific services.

Q6: Shareholder returns policy

The Company aims to enhance corporate value in the medium to long term and in a sustainable manner, and we would like to provide shareholder returns that contribute to enhancing corporate value.

Our basic policy is to continue to pay stable dividends, and we aim to have a payout ratio of 20%.

Meanwhile, we also think it is important to increase internal reserves because we also anticipate the need to invest in the development of attractive services and carry out M&A to expand our business..
For this reason, we have a policy of flexibly implementing purchase of treasury shares, taking into account factors such as the current share price, economic conditions and our financial situation.

Q7: Period of losses and timing of recording a profit regarding the results of investments in new businesses

We are currently working on new businesses such as Yorisoar (solutions for educational institutions) and HIcare Wellness (solutions for nursing and medical institutions).

As both of these services are like “industry-specific versions” of Talent Palette, we are developing new services in a way that does not require large development investments even during the launch phase, by efficiently utilizing the assets accumulated through existing services in terms of system development. Meanwhile, a certain amount of upfront costs are incurred due to the need for certain marketing activities and the sales and support staff required for these activities in order to promote and popularize the services.

Our image of the revenue during the initial launch period of a new business is that the first year or so is a “trial period” during which we will improve the service and implement necessary functions while having several client companies actually use it. If the trial period is successful and we move forward with commercialization, it is started with a small organization of around ten people. If the business expands steadily after that, we envision a process somewhat like: first year (sales of less than 100 million yen, loss of around 100-200 million yen), second year (sales of around 300-400 million yen, loss of around 100-200 million yen), third year (sales of around 700-800 million yen, break-even point), and contributing to profit from the fourth year onwards.
Yorisoar, which is a new business we are currently working, is also progressing in a similar way as described above. Although it is currently running at a loss, it is not a situation where the loss is growing significantly, and we recognize that it is an investment necessary to further enhance our future growth potential.

Q8: M&A initiatives and returns thereon

Plus Alpha Consulting is considering the following as target areas for M&A: (1) fields surrounding Talent Palette (p.10 of the Financial Results Briefing Materials announced on November 8, 2024), and (2) value-added service areas for existing customers (p.12).

<Fields in (1)>
These focus on expanding the “functions” of client companies, such as employee recruitment, training, welfare, and health management. By covering fields surrounding Talent Palette, we are targeting businesses that will strengthen relationships with customers and contribute to profits.
Basically, the company must have a certain level of customer base (with sales of at least 1 billion yen) and a favorable revenue situation.

<Fields in (2)>
In the process of providing services to existing customers, we are targeting areas where there are needs for related services. More specifically, this includes human resource business planning (consulting, etc.) in the field of HR Solutions, and BPO services that support customers’ business processes. By preparing a wide-ranging service menu meeting needs for customers, we aim to increase revenue per customer while also strengthening customer engagement. In this field, the condition is that the project can be judged to be one in which know-how can be accumulated efficiently compared to establishing an equivalent team within the company. In fields in (2), we do not consider any particular restrictions on the scale of the business.

We anticipate cases where goodwill is generated in both (1) and (2), so the condition for execution is that the outlook is for a positive figure after amortization. After a company becomes part of the Group, we plan to achieve synergies by increasing sales and profits beyond our pre-investment expectations from the second year onwards, through cooperation in sales (mutual referral of customers) and support in development (strengthening of functions and service collaboration in terms of functionality, utilizing our know-how).

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